



CLICK 201

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: Oliver, et al.

Serial No.: 09/036,236

Filed: March 6, 1998

For: SYSTEM FOR MANAGEMENT OF TRANSACTIONS ON
NETWORKS

Examiner: Jeffrey A. Smith

Art Unit: 3625

October 3, 2005

Hon. Commissioner of Patents and Trademarks
Washington, DC 20231

THIRD DECLARATION OF
WILLIAM P. DENSMORE JR.

I, William P. Densmore, Jr., do hereby declare:

SUMMARY

1. I have served as president of Newshare Corp. continuously since the company's formation in 1984 to the present. From the formation of Clickshare Corp. in 1995 through approximately May, 1996, I served as president of Clickshare Corp., and thereafter to the present except for a period of a few weeks. Separately or jointly, these two companies owned or were assigned all rights in the Clickshare service until Nov. 15, 1997. During 1994-1997 I was the principal executive in charge of the companies' marketing, promotion and operational strategies.
2. In this affidavit, I will provide a general perspective on our information-disclosure practices during the period 1994-1997, reference some specific documents or web postings not previously noted by the Examiner, and comment on some of the specific assertions or citations made by the Examiner in an office action dated June 3, 2005.

GENERAL COMMENTS

3. Because of software-development delays, the Clickshare Service was not ready for patenting, not commercially available, and was not offered complete for sale -- at any time prior to March 7, 1996. Statements made prior to that time were promotional activities designed to attract potential investors and to develop a list of prospective customers to whom an offer could be made when the service was finally made available. Substantial code was developed throughout 1995, but was not field-tested and it did not include a key component -- the "Settlement Service," or accounting function. (See Exhibit A, attached).
4. While we conceived of the invention in November, 1994, and had portions of the prototype code working and were testing it in the March, 1996 time frame and earlier, we had not completed the Settlement Service code which would have been necessary to offer a complete transaction service, until months or even years later.
5. Public statements, such as news releases, were always written to avoid specifics of the invention and with the intention of developing market interest in the Clickshare concept of distributed user management and multi-site transactions for the purpose of raising investment capital and securing strategic partners. Website postings, to the extent they may even be judged "published" material under patent law, similarly avoided detailed technical description, but focused rather on the feature or benefit provided.
6. Never during the period prior to March 7, 1996, did we ever indicate we could deliver a complete system, nor did we offer any such system or method for sale or public use. When we talked about pricing, it was in the context of "joining" an evolving network of sites, typically with fees waived for the first year because no transactions could or would be settled. We described it as "alpha" or "beta".

REFERENCES NOT CITED BY THE EXAMINER

7. Filed with the provisional patent application, at Pages 51-62, is a photocopy of an Aug. 18, 1995 email from David Oliver to Bill Densmore and Lynn Duncan. At Page 52, there appears the hand-written notation, "DELAYED" in the margin, with an arrow pointing from the phrase, "This server, and the Clickshare backbone that supports it, is being made available to

a small group of content providers for alpha-stage use on September 1, 1995.” I contemporaneously wrote the word DELAYED prior to submitting the provisional application to our patent lawyer in late 1996 or early 1997 for filing to make it clear we were behind schedule, even at that time, in developing or deploying the complete system.

8. On May 6, 1996 we caused to be transmitted a news release in which we announced the Christian Science Monitor was going to use Clickshare on its website “initially for audience measurement, with microtransactions to follow” (Provisional Application, at page 32). In the release, we quoted a Monitor spokesman as saying that “microtransactions from individual articles will start in the fall” This was a marketing or strategic partnership. There was no sale. No money ever changed hands with The Monitor. In addition, I was told by our engineers (principally Dave Oliver and Michael Callahan) that we did not have operational elements of transaction settlement coded or in place. Internal emails show diligent work continued on many aspects of the system throughout the summer of 1996, in order to make it ready for use on the Monitor web site in September, 1996.
9. The document “Clickshare at-a-glance” dated September 15, 1996, and filed with the provision patent application (at Page 27) includes under the heading Significant Customer Alliances this sentence: “The Christian Science Monitor is using the Clickshare Service to track users of its top-rated news site and, shortly, to vend archival stories on a “per-item” basis.” This statement is consistent with a March 14, 1996 letter to the Monitor’s web manager (attached hereto as Exhibit A). In that letter, dated less than one year prior to our provisional filing, it is disclosed that no money is to be paid by the Monitor and that the service proposed is only tracking of users and no payments. Both of these references make clear we did not contemplate and did not sell transactions handling to the Monitor before or immediately after the period one year before our application filing.
10. A “Technical Description” of the Clickshare Access and Payment System, dated April 3, 1996 and filed with the Provisional Patent Application (at pages 19 and 20), is marked CONFIDENTIAL and describes a Settlement Facility as follows: “The Transaction records stored in the Logging Facility are used to drive the process of settlement among publishers. In this process, transactions are matched to the “vending publisher” and upon accumulation the account of the “owning publisher” is debited according. NOTE: The Settlement Facility was architected by Newshare, but not implemented.” [Underlined emphasis added] Without the

Settlement Service, it would not have been possible at least as late as April 3, 1996, to sell the working service to anyone.

11. A November, 1996, article published in the magazine "Webmaster", authored by Boston technology writer Fred Hapgood, entitled, "Pennywise," (provisional application, at pages 38-39), discusses the Clickshare relationship with the Monitor. It quotes Bill Densmore as saying that "he expects to start a full trial of the Clickshare micropayments system with The Christian Science Monitor before the first quarter of 1997. However, according to David Creagh, the Monitor's electronic publishing manager, what the Monitor likes in Clickshare is not the payment options but rather the sophisticated monitoring functions." These two statements infer what was in fact the case – that we had not deployed as late as November, 1996, the transaction-settlement function.

EXHIBIT CITATIONS BY THE EXAMINER

12. Examiner's Exhibits A-P contain many references to "alpha" and "beta" testing. We were (and are) developing a large-scale distributed user management and transaction system for the Internet. Something like that cannot in any practical way just be offered for sale one day complete. It is the product of interaction with potential strategic partners.
13. Regarding Examiner's Exhibit A, the Business Wire release of Sept. 15, 1995: "Early next year" refers without specificity to some date in 1996. David M. Oliver is quoted as saying, "While the system as introduced at beta will be capable of handling payment transactions, we want to give it a workout before doing so." In fact, I recall, that the system was never capable of handling payment transactions at least through the summer of 1996. The release says we were "accepting applications from publishers and ISPs for beta testing commencing in late fall." In fact we received no such applications as a result of this announcement.
14. Regarding Examiner's Exhibit B, a Gale Group Dialog/NewsBytes story dated Sept. 15, 1995: The story is prospective in stating Newshare "will begin a beta test phase" with no date specified and states, without attribution, "The software will be available in early October, with the evaluation phase beginning in mid-October." The story adds, without attribution: "After Jan. 1, 1996, when the transaction processing function goes online, an ISP will need to enroll as a Clickshare 'technical member' for a membership fee of \$100, plus \$1.00 per year

for each Clickshare enabled user.” This exhibit is a story written by an independent news organization, not a news release from Newshare Corp. Hence unattributed statements cannot be taken as statements of Newshare Corp. In fact, the software was not available until, at the earliest, the time of testing with the Christian Science Monitor in summer/fall of 1996, and even then without the settlement-service component(s).

15. Regarding Examiner’s Exhibit C, a Dialog archive of an Oct. 30, 1995 news story published by Internet Week: This brief states that “alpha” (*n.b. -- not beta*) testing is underway, without reference to any use by, or sale to, any customers. It says the software “is due out in early 1996”, with no specific date given beyond that.
16. Regarding Examiner’s Exhibit D, a Dialog archive of a Sept. 18, 1995 news story carried by M2 Communications Telecom World Wire: This brief provides no indication of any offer for sale or sale, gives no information about any pricing, refers only to a general “package” and gives no dates. It is merely a brief and generalized description of the problems the Clickshare service hopes to solve.
17. Regarding Examiner’s Exhibit E, a Dialog archive of a Sept. 15, 1995 story carried by M2 Presswire: This is a news story, not a news release, although it appears based upon a company release. It states “the company announced it is beginning private alpha testing of the software with a handpicked group of content providers (emphases added). This language implies a closed test, and there is no indication of any sale or money changing hands. The story’s last paragraph states “Clickshare server software for publishers and Internet Service Providers will be available for a free, 90-day evaluation”. (emphases added). This statement relates to server software only, with no indication that other components of the system would be operated. There was no sale or offer for sale, since the proposal is for a free evaluation. And the paragraph gives no date when the evaluation “will be” available. There is nothing to indicate it was available at the time of the story.
18. Regarding Examiner’s Exhibit F, a Dialog archive of a Sept. 12, 1995, story from the NewsBytes news service: This story says, without attribution, that Newshare Corp. is “about to” unveil a new software product. There is no indication when. There is nothing else in the story which mentions customers, price or offers for sale.

19. Regarding Examiner's Exhibit G, a printed download of a page from the newshare.com webserver, which currently responds (as of May 25, 2005) to HTTP requests to the newshare.com domain. The page is:

<http://www.newshare.com/Newshare/Members/Publishing/MAR95PubRates.html>

There is nothing on the page, which indicates operational status of a system. In fact, there is the following sentence under the heading: Commission Agreement: "Until the Token Validation Service (TVS) server software is released for public use" This is consistent with the fact the software was not operational at that time.

20. Regarding Examiner's Exhibit H, a printed download of a webpage from a third-party website which caches a Dec. 7, 1995, letter from me, as president of Newshare Corp., to U.S. Rep. Rick White regarding the transmission of so-called "offensive material" on the Internet. The letter states: "Newshare Corp. and its Clickshare Corp. affiliate have developed the first functioning system for enabling the emergence of a free-market for digital information." The letter says nothing about deployment or operation of such a service and the service is not particularly or specifically described other than as "the transfer of micro-transaction settlement and audience-measure data among multiple, independent publishers."
21. Regarding Examiner's Exhibit I, a printed May 25, 2005, download of a webpage cached at The Internet Archives and appearing to be a page from the Clickshare Corp. website cached as of Oct. 8, 1999. The page appears to have been created prior to Jan. 1, 1996, based upon a statement within its text: "Until Jan. 1, 1996" The page is headlined: "Clickshare Registration" and the first two sentences read: "You're Registering to get your Personal Newshare at American Newshare. You have reached the first of three pages requesting information necessary for you to become a registered user of the Clickshare Publishing System." This was a registration page for our "Personal Newshare" service, a functional precursor to "My Yahoo" – which provided links to topical and geographic references on the web. We designed it to gather a base of users to whom we might later choose to market a multi-site transaction service when it became ready for sale. The "Until Jan. 1, 1996, credit-card information is not required" confirms our inability to manage any transactions at least prior to that date. In fact, it was not until September, 1996 that we could handle any transactions.

22. Regarding Examiner's Exhibit J, a printed May 25, 2005, download of a webpage cached at The Internet Archives on Dec. 2, 1998, and appearing to be a page from a Clickshare Corp. website headlined: "What is Clickshare: A Short Summary." Two sentences state: "the Clickshare service requires publishers to use Newshare's Clickshare-enhanced HTTP server, which registers and profiles users at a single publishing site. After Jan. 1, 1996, this software is provided free under license. It is available now to qualified users as a beta product." Neither of the sentences says anything about transactions or settlement. They say nothing about any offer for sale and nothing about any pricing. Indeed it states that software will be provided free and is available to qualified users as a beta product. (emphasis added). The use of the phrase "qualified users" is consistent with the fact that we were dealing with test users, not customers, no money was intended to change hands, and we would exercise judgment about qualifying the users. In short, all the trappings of an internal test, not a public use.
23. Regarding Examiner's Exhibit K, a printed May 25, 2005, download of a webpage cached at The Internet Archives on Jan. 27, 2002 and appearing to be a page from a Clickshare Corp. website headlined: "Building a free market for digital information: Audience Measurement with the Clickshare Service." This is a web version of a presentation for a Feb. 22, 1996 conference in San Francisco. Nothing in the presentation indicates an operational system or an offer for sale, although there is a link to a "Publisher Enrollment Packet" which is no longer accessible on the web. The presentation states there has been a "demonstration operational since October 1995 (emphasis added); that "alpha" testing is underway, and "beta testing expected 2Q 96" of "basic authentication, registration, personalization." It says, "ACH settlement began testing Feb. 21." And on an earlier page, it states: "Clickshare is working in alpha now . . . [s]ettlement of micropayments will begin by QT3, 1996." (emphasis added). Citations are to alpha testing only, there is no indication of any settlement of payments or even charging, which is to start beginning after May 31, 1996 ("QT3"), which would be less than one year prior to the date of the applicant filing date.
24. Regarding Examiner's Exhibit L, a printed May 25, 2005, download of a webpage cached at The Internet Archives on Nov. 12, 1996 with a web-page title of: "Clickshare: Frequently Asked Questions." The third paragraph of the first answered question reads: "The Clickshare facility to be demonstrated in October by Newshare Corp." (emphasis added) The context of the document suggests this was intended as October 1995. In answer to the question: "Who is among Newshare's Publishing Members?" the document reads, in part: "We have not

begun to formally enroll or announce our Publishing Members....” (emphasis added) The suggestion that a facility might be demonstrated at a certain point of time falls far short of saying it will be operational or even built. Likewise, while this exhibit contains some speculative statements about contemplated pricing, there is no offer of sale. The overall impact of the FAQ is a general description of the features and benefits of a deployed system, without any indication of when or how it will be deployed and no technical specifics of how it might work.

25. Regarding Examiner’s Exhibit M, appearing to be a cached version of a reposting by Red Rock Eater Digest of an Oct. 23, 1995 news release transmitted via email by Newshare Corp. The page is now found at:

<http://wasearch.loc.gov/sep11/20011113090452/http://commons.somewhere.com/rre/1995/online.privacy.html>

The lead paragraph reads: “Newshare Corp. begins shipping to selected publishers this week the alpha version of its breakthrough Clickshare system to track and settle Internet-wide microtransactions.” The release states that “[t]ransaction-handling capabilities, and an initial base of Publishing Members, will be launched in early 1996.” There is no more specific date provided. In fact, I recall that we did not ship any software to any publishers, because none requested it. Another sentence states: “Clickshare requires no special software for consumers beyond their web browser and costs a publisher as little as \$795 to join.” (emphasis added). Note the use of the word “join” as in joining a network, not acquiring or licensing software. There is also no specific offer to join, only a statement of the range of what joining costs.

26. Regarding Examiner’s Exhibit N, this appears to be a cache from a third-party website of an email update sent by Newshare Corp. on Sept. 15, 1995. This email, styled to read like a news release, has the following headline: “One-bill, Universal-password access to Internet information available by subscription or “by click” early next year, via Newshare Corp.’s “Clickshare” publishing system” (emphasis added) The release begins: “Internet users will be able early next year to purchase information “by the page” from a wide selection of independent publishers with one-bill, one-password simplicity under a system announced Friday by Newshare Corp.” This use of “early next year” (meaning early in 1996) is consistent with other statements and was intended by us to be somewhat vague because we didn’t know for sure when coding of all of the elements of the service would be completed.

In fact it was not completed until September 1996. The news release goes on to say alpha testing will begin “after Sept. 29.” (“after” confirmed our uncertainty about the exact date), with “beta” testing in “late fall” of non-transactions. Technologist David M. Oliver is quoted as saying: “While the system as introduced at beta will be capable of handling payment transactions, we want to give it a workout before doing so.” In fact full transactions-handling capabilities were not ready until September 1996. Clickshare publishing member pricing is noted as “tentatively at \$795.”

27. Regarding Examiner’s Exhibit O, a cache of the same Oct. 23, 1995 document referenced in Exhibit M, above, except found on a different site using Google Groups.
28. Regarding Examiner’s Exhibit P, printed May 27, 2005, a cache on The Internet Archive made Jan. 28, 1998 and appearing to be a page placed sometime in 1995 on the Newshare Corp. website, headlined: “Newshare Interim Publishing Member Enrollment Information.” Besides stating other services and benefits of becoming a member of what is described as “The Clickshare Publishing System”, the document offers “a 50% discount off the one-time, \$795 enrollment in membership in the Clickshare Publishing System. A Clickshare-enhanced server daemon, when launched on the Internet server where your content resides, will allow” The page mentions that charter membership is free and “at present we are accepting reservations for memberships to start after Jan. 1, 1996.” There is no indication that any software is included or what specifically comes with membership. While the wording is slightly ambiguous, the “when launched” terminology was intended to state that the service and daemon were not available at the time the page was written and posted.

CONCLUSION

29. Based on my review of the Examiner's exhibits, other relevant documents, and my own first-hand recollections of the 1994-1996 time-period, I affirm that:

- Public-relations statements and literature overwhelmingly were written with non-specific statements about availability, and usually with the statement that transaction-handling capabilities were a future event.
- No websites ever exchange any transactions until Sept. 16, 1996. On that date, Clickshare Corp. issued a news release via Business Wire, attached hereto as Exhibit B.

Further Declarant Sayeth Not.

I hereby declare that all statements made herein of my own knowledge are true, and that all statements made on information and belief are believed to be true; and further that these statements were made with knowledge that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. 1001) and may jeopardize the validity of the application or any patent issuing thereon.

Signed this 3RD th day of October, 2005.



William P. Densmore Jr.
1182 Main Street
Williamstown MA 01267
413-458-8001
Densmore@ncwshare.com

EXHIBIT A

EMAILED LETTER TO CHRISTIAN SCIENCE MONITOR

Date: Fri, 15 Mar 1996 02:30:10 -0500 (EST)
From: Bill Densmore <bill@newshare.com>
To: Dave Creagh <creaghd@moses.csps.com>
Cc: Bill Densmore <bill@newshare.com>, David M. Oliver <dave@newshare.com>, Michael Callahan <michael@newshare.com>, Felix Kramer <felixk@panix.com>
Subject: MONITOR LETTER: v2.0 -- minus legalistics

Dave:

Here's a near-final draft of the letter we are getting out to you. I'm afraid I have slipped on our self-imposed deadline.

Watch later today (Friday) for the draft news release, the contract and the fee chart referenced in the material below.

Thanks for your extra 24 hours of patience!

-- Bill

+-----+
| Bill Densmore -- Chairman/CEO CLICKSHARE CORP. |
| 75 Water St., P.O. Box 367 densmore@clickshare.com |
| Williamstown MA 01267 USA 413 458-8001 |
| Building a free market for digital information //www.clickshare.com |
+-----+

March 14, 1996

Mr. David M. Creagh
Manager, Business Development
The Christian Science Monitor
1 Norway Street
Boston MA 02115-3195

Dear Mr. Creagh:

This letter represents our formal proposal to provide the Clickshare Access and Payment Service to the Christian Science Monitor's (CSM) debuting web site. Accompany this letter is a service contract for your review and signature and a draft news-release announcing our relationship, once confirmed. This letter describes generally the scope of the relationship, the revenue opportunities to The Monitor and the costs to you.

We are taking the view that while we have something of significant value

to CSM, it is appropriate for us to "front-load" our service commitment and defer collecting any fees (*emphasis added*) (with the exception of audience-measurement fees) for one year until actual revenue streams are created for you.

It is our hope that this letter, along with the draft contract and newsrelease, can form the basis of an "Agreement in Principle" to go forward, subject of course to a review of the contract terms by both of us.

SCOPE OF RELATIONSHIP

This agreement proposes to involve both Clickshare Corp. and Newshare Corp. (which share overlapping ownership). The legal and financial relationship will be with Clickshare Corp. An additional, collaborative relationship will exist with Newshare Corp. (with no contractual obligations on either side and no present exchange of consideration). This is described to you in a separate letter from Newshare Corp., enclosed.

Clickshare's objective is to provide The Monitor with a working, beta Version (*emphasis added*) of the Clickshare Access and Payment System that will allow The Monitor to track its registered users access to designated Monitor site resources as well as their viewing of other content in the Clickshare universe. The purpose of this anonymous tracking (Monitor will at all times be the sole repository of names/addresses/demographics of its users) will be to:

- * Position The Monitor to effectively collaborate with other premium news sites worldwide by linking users and content, both free and chargeable.
- * Assist Monitor and any Monitor-designated audience-measure service (such as I/Pro) to independently verify Monitor claims as to advertising and page views.
- * Develop a base of knowledge and information for personalization efforts
- * Enable the sale of premium content on a charge-per-item ("per click") basis if and when desired.

Clickshare management of the Monitor site in no way locks you in to a "per click" model of content sale. It merely makes this a viable option, while at the same time enabling true independent audience measurement and multi-publisher personalization and sharing of information and users.

What has to happen to make this "Agreement in Principle" a reality?

WHAT WE ASK YOU TO DO

- * The Monitor must agree to the installation of the Clickshare Web Publishing Server on its web site. This server is a plug replacement for

the NCSA server you are now using. You may incrementally add the Clickshare features to portions of your web site as you see fit. The Clickshare server provides for the broadest choice of information vending models simultaneously -- from free, untracked, unregistered content to fully restricted information charged by-the-click. Any dynamically-generated text, sound or visual files can be handled.

* The Monitor must reach a contractual agreement within approximately 30 days with Clickshare Corp. which includes a delineation of minimum terms of service for end-users and financial responsibility for both the purchase and sale of information. A draft contract is enclosed and we recognize that this will require some give-and-take which is entirely possible and appropriate since you are our first major member newspaper.

WHAT WE PROMISE TO DO

Clickshare Corp. will:

* Provide to the Monitor site a free copy, under license, of the Clickshare Web Publishing Server. Clickshare will commit the technical resources of either or both of David M. Oliver and Michael J. Callahan to ensure that installation of this software is trouble-free for you, your staff and service provider -- and completed in a timely manner. This commitment will be at our expense.

* Beef up the existing Clickshare Authentication and Logging Service with redundant capacity on a separate Internet backbone from our current Sprintlink T-1 connection (i.e., BBN Planet or MCI) to ensure that authentication will be reliable.

PRICING (GENEROUS BUT FIRM)

Monitor will be expected to pay a 15% fee on any sales of content to non-Monitor Clickshare users, but this will be deducted from the 85% of the wholesale price charged, so if Monitor is paying 1.5 cents as a fee for realizing the sale of a 10-cent article, it is also netting 8.5 cents with no other acquisition or marketing cost. Monitor will have complete authority to set wholesale pricing for its content at whatever level (below \$2 per item) it wishes.

Monitor's first-year Clickshare Publishing Membership (foundation price of \$795) will be waived completed.

Monitor's first-year per-user enabled fees (foundation price \$1 per user per year, payable quarterly), will be deferred and paid only as a charge against second-year transaction revenues. They will never be payable in cash.

Monitor will be expected to pay a fee charged on a "per click" basis for each report of an access to its web site which it requires for audience-measurement purposes. The fee will be 1 cent per reported access

for the first 10,000 records per month, then 0.5 (one-half) cents per record for the next 10,000 records, 0.25 (\$.25) cents per record for the next 80,000 records; then 0.10 (\$.001) cents per record for each record above 100,000 accesses reported per month. Free content not requiring tracking by Clickshare will not be subject to this fee.

Dave, the relationship we are undertaking is going to require a significant amount of give-and-take. We want to work with you because you see the importance of asserting that well-edited news has value and that people should be expected to pay for it. And you were one of the earliest people to perceive the "1+1=3" value of a community of affiliated but independent publishers sharing news and users worldwide -- the Newshare concept enabled by the Clickshare technology.

Let's put our heads together and make this work now!

Best regards,

Bill Densmore

Chairman/interim CEO

EXHIBIT B

KEYWORD: MASSACHUSETTS

INDUSTRY KEYWORD: INTERACTIVE/MULTIMEDIA/INTERNET COMED
COMPUTERS/ELECTRONICS PRODUCT

BW0434 SEP 16,1996

WILLIAMSTOWN, Mass.--(BUSINESS WIRE)--Sept. 16, 1996--Clickshare Corporation's pioneering multi-site, single-ID, Internet micropayment system went live on Friday as users began clicking on -- and paying for -- information online.

Purchases from Friday to Sunday by over a dozen first registrants totaled \$62.60.

"We're the web's first working multi-site distributed user-management and micropayment service," said Bill Densmore, Clickshare's chairman. "Now publishers can charge for valuable information on the Internet, rather than giving it away."

"Now that 'The Internet's Information Utility' (sm) is up and running," said Felix Kramer, Clickshare marketing director, "We'll finally see whether people will buy information by the click."

Typical articles from a test archive of domestic and international articles from The Christian Science Monitor were "Ground Personnel: Gap in Airport Security System" and "Africa South of Sahara boasts dictators and wide political freedom" (daily indexes \$0.10, articles \$0.25). Lead story in the entertainment industry intelligencer Studio Briefing (\$0.50) was "Job Jitters at Turner" (as the merger with Time Warner proceeds). And the American Reporter, the Internet's first digital daily, also \$0.50, featured its worldwide Pinkerton Risk Assessment, and an exclusive report on "Pollution by Super-Size Hog Farms Feared Across Illinois."

Clickshare allows users to have a single ID and password, yet gain access to multiple web sites. It uses the company's proprietary Digital Calling Card (sm) technology to track user movements and settle charges. Its software is a server add-on, not a user application.

Users can now sign up once, give a credit card online or offline, log in once per session, and, while preserving their privacy, buy information -- for a dime from one place, a quarter from another unrelated site. At the end of the day, they get an e-mail summary of where they've been and what they've bought. And the purchases show up on their next credit card statement.

"Soon, charges may be on phone, cable, newspaper or Internet Service Provider bills," said Densmore. On the Clickshare web site, publishers can now see samples of aggregated bills, where revenue streams are shared between publishers and service providers.

"Clickshare is designed to scale to a very large number of users and a very high volume of transactions using a distributed architecture, including no single centralized database of users," said Dave Oliver, Clickshare managing director/technology.

"What we want to do has been difficult," said David Creagh, electronic publishing manager at the Christian Science Monitor. "Clickshare makes it easy. We're starting with demonstration content to prove it all works, because we've not completely resolved pricing and other issues. We want e-Monitor users to be able to register once, be re-authenticated transparently, and then have their mouse trails be captured and then streamed to our traffic report vendor, our auditor and the transaction people. One data stream, low overhead. Clickshare is the only product that allows us to do this."

Next, Clickshare will sign up additional content providers, link with strategic partners, and recruit an experienced management team. The privately held company was founded in 1995 by Densmore, a veteran journalist, Oliver, a networking expert, and Michael Callahan, a mathematician and software developer.

More information is on the web at www.clickshare.com or by sending blank e-mail to info@clickshare.com.

CONTACT:

Felix Kramer, Kramer Communications, felix@clickshare.com, 212/866-4864; Bill Densmore or Lynn Duncan, corp@clickshare.com, 413/458-8001; Dave Creagh, The Christian Science Monitor, dave@csmonitor.com, 617/450-2865

KEYWORD: MASSACHUSETTS
INDUSTRY KEYWORD: INTERACTIVE/MULTIMEDIA/INTERNET COMED
COMPUTERS/ELECTRONICS PRODUCT
BW0434 SEP 16,1996

EXHIBIT C -- Aug. 5, 1999, memo to CSC directors

Excerpts from an Aug. 5, 1999 internal memo to Clickshare Service Corp.'s directors, written by Bill Densmore and marked "CONFIDENTIAL."

We can show that we described our system internally in November 1994, described it confidentially to potential (but unrealized) partners/investors in at least December 1994 (ATV), Aug. 1995 (MCI), and April 2, 1996 (IBM), completed in code the key components of the system and had them working together on Oct. 4, 1995 (internal Email) and gave a prospective partner a working version of the client code in April 1996 (IBM). Our patent application was filed March 7, 1997.

--- SNIP ---

WORKING CODE

The two main components of Clickshare were developed into working code during 1995. The server backend was reduced to practice in early 1995 at a date which can be more precisely fixed with more detail review of old Email. The client-side code became operational in conjunction with the server on October 4, 1995 (*Internet email to Clickshare/Newshare collaborators, Oct. 4, 1995, Oct. 12, 1995*). About a week earlier, David Oliver described operational status in a detailed Email (*Subject: State of affairs, Sept. 29, 1995*). He describes the server, the transaction logging backend, the user-registration front end, the personalization CGI scripts as all operating with the only missing component the HTTP client, which became operational on Oct. 4.

IBM CONTACT -- 1995/1996

Among the parties with whom we disclosed and discussed our detailed technical description were MCI and IBM. Both signed non-disclosure agreements before we provided the material for their review. In the case of IBM, we actually supplied IBM's InfoMarket unit (then run by Jeff Crigler) with an operational version of the Clickshare Token Validation Service client, which they requested on April 16, 1996. They took the software, ported it to and ran it on the IBM AIX Unix platform at InfoMarket's Falls Church, Va., offices. We discussed and proposed licensing terms but they never responded concretely to those terms, although they did propose very generally that IBM operate the Clickshare backend. There was no followup. This all occurred in the Sept. 1995-April, 1996 time frame. For example, InfoMarket's Jeff Crigler and John Kalb, then with IBM's transactions unit in Hawthorne, N.Y., met with Bill Densmore, Dave Oliver and Michael Callahan on April 2, 1996 at the law offices of Foley Hoag & Eliot to discuss the Clickshare technology and terms for a possible alliance (which was never consummated). This was the day before the MSFT patent application was filed, and 11 months before the Clickshare patent application was filed.